

Approved: 4/23/98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 6:00 p.m. on April 9, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Ed McKechnie

Committee staff present: Stuart Little, Shannon Nichols, April Holman, Reed Holwegner, Susan Kannarr, Emalene Correll, Legislative Research Department; Jim Wilson, Mike Corrigan, Renae Jefferies, Revisor of Statutes Office; Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chair Kline indicated the committee would work on **SB 424** which has been heard in Subcommittee.

Representative Neufeld explained a balloon on the bill (Attachment 1). A discussion followed.

Representative Farmer noted that while working on the appropriations bill, he added a proviso dealing specifically with children's health initiatives. The proviso prohibits the Department of Social Rehabilitation and Services from spending state funds to match Title XXI funds until the 1998 Legislature passes legislation regarding the limitation of this initiative. Representative Farmer explained the reasons for the proviso. He noted Senator Emert has placed similar language in a bill on **HB 2532** - prevention of assisted suicide act. Representative Farmer intends to amend to **SB 424** either in Conference Committee or on the House floor the following day.

Representative Mollenkamp expressed concerns on whether the insurance provided will be a repeat of the state employees' insurance, which is limited in which physicians can be seen, where prescriptions can be obtained, etc. Some of his own constituency must drive a minimum of 75 or 80 miles to get a prescription filled.

Representative Helgerson noted a technical clean-up is necessary on page 2. The first line should read "health insurance coverage" rather than "health coverage plan".

Representative Neufeld noted an additional technical correction on page 2, line 3, of the new sub (2). The following sentence was left out -- "Secretary is authorized to enter into contracts with entities to provide managed mental health care services.

A motion was made by Representative Helgerson, seconded by Representative Neufeld to amend **Sub.SB 424** with the above changes. The motion carried.

The discussion continued.

A motion was made by Representative Neufeld, seconded by Representative Helgerson to pass **SB 424** favorably as amended. The motion carried.

The meeting adjourned at 6:30 p.m.

Substitute For SENATE BILL No. 424

By Committee on Financial Institutions and Insurance

2-20

Appropriations
4-9-98
Attachments 1

10 AN ACT relating to Kansas insurance coverage for children; duties of the
11 secretary of social and rehabilitation services.

; funds; joint committee on children's issues
and duties thereof

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) The secretary of social and rehabilitation services shall
15 develop and submit a plan consistent with federal guidelines established
16 under section 4901 of public law 105-33 (42 U.S.C. 1397aa *et seq.*; title
17 XXI).

18 (b) The plan developed under subsection (a) shall be a capitated man-
19 aged care plan covering Kansas children from zero to 19 years which:

20 (1) Contains benefit levels at least equal to those for the early and
21 periodic screening, diagnosis and treatment program;

22 (2) provides for presumptive eligibility for children ~~based upon, but~~
23 ~~not limited to, children who:~~

24 (A) ~~Receive free or reduced school lunches;~~

25 (B) ~~may be eligible for title XIX;~~

26 (C) ~~received supplemental security income but lost such benefits un-~~
27 ~~der P.L. 104-193;~~

28 (D) ~~receive services from headstart; or~~

29 (E) ~~receive a preliminary determination of eligibility until a final de-~~
30 ~~termination is made.~~

31 (3) provides continuous eligibility for 12 months once a formal de-
32 termination is made that a child is eligible subject to subsection (e);

where applicable

33 (4) has performance based contracting with measurable outcomes in-
34 dicating appropriate utilization of plan services to include, but not limited
35 to, such measurable services as immunizations, vision, hearing and dental
36 exams, emergency room utilization ~~and~~ annual physical exams; and

age

37 (5) will provide targeted low-income children, as defined under sec-
38 tion 4901 of public law 105-33 (42 U.S.C. 1397aa, *et seq.*) and amend-
39 ments thereto, coverage subject to appropriations.

and asthma

40 (c) The secretary is authorized to contract with ~~insurance companies,~~
41 ~~health maintenance organizations, nonprofit dental service corpora-~~
~~tions] or nonprofit hospital and medical insurance corporations] author-~~
ized to transact health insurance business in this state to implement the

(1)

entities

health coverage plan subsection (a) providing for several plan options to enrollees which are coordinated with federal and state child health care programs.

(d) When developing and implementing the plan in subsection (a), the secretary to the extent authorized by law:

(1) May include provisions that contracting insurers utilize and coordinate with existing community health care institutions and providers;

(2) may work with public health care providers and other community resources to provide educational programs promoting healthy lifestyles and appropriate use of the plan's health services;

(3) shall plan for outreach and maximum enrollment of eligible children through cooperation with local health departments, schools, child care facilities and other community institutions and providers;

(4) shall provide for a simplified enrollment plan;

(5) shall provide cost sharing as allowed by law;

(6) shall not count the caring program for children, the Kansas health insurance association plan or any charity health care plan as insurance under subsection (e)(1); and

(7) may provide for payment of health insurance premiums, if it is determined cost effective, taking into account the number of children to be served and the benefits to be provided.

(e) A child shall not be eligible for coverage and shall lose coverage under the plan developed under subsection (a) of section 1, and amendments thereto, if:

(1) During the prior six months, the child was covered with a comprehensive health insurance policy by an insurance company, health maintenance organization or nonprofit hospital and medical insurance corporation authorized to do business in this state and such insurance is still available to the child; or

(2) such family has not paid the enrollee's applicable share of any premium due.

If the family pays all of the delinquent premiums owed during the year, such child will again be eligible for coverage for the remaining months of the continuous eligibility period.

(f) The plan developed under section 4901 of public law 105-33 (42 U.S.C. 1397aa et seq., and amendments thereto) is not an entitlement program. The availability of the plan benefits shall be subject to funds appropriated.

Sec. 2. The secretary of social and rehabilitation services shall adopt rules and regulations as necessary to implement and administer the provisions of section 1 through 4, and amendments thereto.

Sec. 3. (a) (1) None of the funds appropriated to implement this act shall be expended for any abortion.

pursuant to

(2) In entering into such contracts, the secretary shall assure that contracted entities demonstrate the ability to provide a full array of mental health services in accordance with the early and periodic screening, diagnosis and treatment plan. The secretary shall not develop a request for proposal process which excludes community mental health centers from the opportunity to bids for managed mental health care services.

Shall

encourage

, including contributions to a medical savings account if applicable,

The secretary shall not utilize waiting lists, but shall monitor costs of the program and make necessary adjustments to stay within the program's appropriations.

(2) None of the funds appropriated to implement this act shall be expended for health benefits coverage that includes coverage of abortion.

entities in subsection (c) of section 1 and amendments thereto

(3) The term "health benefits coverage" means the package of services covered by ~~[an insurance company, health maintenance organization, nonprofit dental service corporation]~~ or nonprofit hospital and medical insurance corporation authorized to transact health insurance in this state pursuant to a contract or other arrangement entered into under sections 1 through 4, and amendments thereto.

(b) The limitations established in subsection (a) shall not apply to an abortion:

, aggravated indecent liberties with a child

(1) If the pregnancy is the result of an act of rape or incest; or

(2) ~~[in the case where a woman suffers from a physical disorder, physical injury or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed]~~

if necessary to save the life of the pregnant woman

Sec. 4. The secretary in contracting for capitated managed health care for children shall include in the pool of persons to be covered those eligible children covered by the Kansas medicaid program as law allows.

See Attachment

Sec. ~~[5.]~~ This act shall take effect and be in force from and after its publication in the Kansas register.

13.

Sec. 5. The secretary shall enter into contracts as deemed appropriate to carry out the provisions of this act. Administrative services under this program shall be contracted with private entities. Nothing in this act precludes the secretary from entering into a contract with the agency medicaid management information system fiscal agent.

Sec. 6. The secretary shall advise and consult with the health care data governing board on issues relating to children's health status.

Sec. 7. For the purpose of financially empowering parents to choose a health plan for a child, the secretary should review and report both verbally and in writing to the joint committee on children's issues prior to each legislative session with recommendations regarding the following items:

(a) Direct transfer of the annual premium for a plan chosen by an eligible low-income family to the insurer;

(b) The use of a refundable tax credit for an eligible low-income family to apply toward the purchase of a child's health care coverage. Such refundable tax credit would cover most or all of the cost of the insurance with the parents paying any difference. Additionally, an eligible low-income family would receive full benefit of the credit, regardless of how small their income tax obligation was; and

(c) The status of the Kansas insurance coverage for children's program including all performance measures relating to the Kansas insurance coverage for children's program.

Sec. 8. (a) There is hereby created the joint committee on children's issues which shall be within the legislative branch of state government and which shall be composed of 10 members. Five members shall be members of the house of representatives and five members shall be members of the senate. Three of the members who are representatives shall be appointed by the speaker of the house of representatives, three members who are senators shall be appointed by the president of the senate, two members who are representatives shall be appointed by the minority leader of the house of representatives and two members who are senators shall be appointed by the minority leader of the senate.

(b) All members of the joint committee on children's issues shall serve for terms of two years ending on the first day of the regular session of the legislature commencing in the first odd-numbered year after the year of appointment, except that the first members shall be appointed on the effective date of this act and shall serve for terms ending on the first day of the regular session of the legislature commencing in 1999. If a vacancy occurs in the office of any member of the joint committee on children's issues, a successor shall be appointed in the same manner as the original appointment for the remainder of the term. The chairperson shall be appointed for a term of one year which ends on the first day of the next occurring regular session of the legislature. The speaker of the house of representatives shall appoint the first chairperson on the effective date of this act and shall appoint the chairperson for the term commencing on the first day of the regular session of the legislature commencing in 1999 for a one-year term to end on the first day of the regular session of the legislature commencing in the year 2000. The president of the senate shall appoint the next chairperson on the first day of the regular session of the legislature commencing in the year 2000 for a one-year term which ends on the first day of the next occurring regular session of the legislature. Thereafter the appointment of the chairperson shall continue to alternate between the speaker of the house of representatives and the president of the senate with each subsequent chairperson being appointed for a one-year term ending on the first day of the regular session of the legislature in the next occurring regular session of the legislature after the year of appointment. If a vacancy occurs in the office of the chairperson, a member of the joint committee who is a member of the same house of the legislature as the member who vacated the office shall be appointed by the speaker of the house or president of the senate, depending on the house membership of the vacating member, to fill such vacancy.

(c) A quorum of the joint committee on children's issues shall be six. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee.

(d) The joint committee on children's issues shall have the authority to meet at any time and at any place within the state on the call of the chairperson.

(e) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on children's issues to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.

(f) Members of the committee shall receive compensation, travel expenses and subsistence expenses as provided in K.S.A. 75-3212 and amendments thereto when attending meetings of the committee.

(g) The joint committee on children's issues shall have the services of the legislative research department, the office of revisor of statutes and other central legislative staff service agencies.

(h) The joint committee on children's services shall oversee the implementation and operation of the children's health insurance plans created under the provisions of section 1 through 7 and amendments thereto, including the assessment of the performance based contracting's measurable outcomes as set forth in subsection (b)(4) of section 1 and amendments thereto and other children's issues as the committee deems necessary.

Sec. 9. (a) There is hereby established in the state treasury the children's health care programs fund in the department of the secretary of social and rehabilitation services.

(b) Of the moneys received by the state pursuant to the tobacco litigation settlement agreement entered into or any judgment rendered, regarding the litigation against tobacco industry companies and related entities, 50% of such moneys shall be credited to the children's health care programs fund.

(c) All moneys credited to the children's health care programs fund shall be used for the purposes of providing additional funding for children's health care, services for children and tobacco use prevention and cessation programs.

(d) All expenditures from the children's health care programs fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of social and rehabilitation services or the secretary's designee.

Sec. 10. (a) There is hereby established in the state treasury the Kansas insurance coverage for children fund.

(b) The secretary is authorized to apply for and receive grants, gifts and donations from nonfederal sources for the purposes set out under sections 1 through 5 and amendments thereto.

(c) The secretary shall remit all moneys received under subsection (b) to the state treasurer who shall deposit such moneys in the Kansas insurance coverage for children fund.

(d) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas insurance coverage for children fund interest earnings based on: (1) The average daily balance of moneys in such fund for the preceding month; and (2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(e) All expenditures from the Kansas insurance coverage for children fund shall be made in accordance with appropriation acts upon warrants of the director of the accounts and reports issued pursuant to vouchers approved by the secretary or the secretary's designee for the purposes of sections 1 through 8 and amendments thereto.

Sec. 11. On July 1, 1998, the director of accounts and reports shall transfer \$12,000,000 from the state general fund to the Kansas insurance coverage for children fund.

Sec. 12. If any provision or clause of this act or application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provision of this act are declared to be severable.